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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

NATIONAL FOOTBALL SCOUTING, INC.,
a Delaware Corporation,

Plaintiff,

v.

ROB RANG, an individual; and

THE SPORTS XCHANGE, INC., a California
Corporation,

Defendants.

Case No.

COMPLAINT

JURY TRIAL REQUESTED

COMES NOW Plaintiff National Football Scouting, Inc., by and through its attorneys,
and for its causes of action against Defendants The Sports Xchange, Inc. and Rob Rang, states as
follows:

The Parties

1. Plaintiff, National Football Scouting, Inc. (“NFS”), is a corporation organized and
existing under the laws of the State of Delaware. NFS’s principal place of business is 201 South
Capitol Avenue, Suite 400, Indianapolis, Indiana 46225.

2. Defendant The Sports Xchange, Inc. (“TSX”) is a California corporation with its
principal place of business located at 4632 Windsong Street, Sacramento, California, 95834. Frank
Cooney (“Cooney”) is TSX’s president. TSX does business as and at NFLDraftScout.com.

1 Club acknowledges that the information compiled and
2 disseminated to it by NFS represents a trade secret and is of
3 confidential nature, and is intended only for use of shareholders of
4 NFS. Club covenants and agrees to disseminate such scouting
5 information only to members of its football organization who
6 require such information in the performance of their duties for the
7 Club, and not to disseminate, or permit the dissemination by
8 members of its organization to any other person or entity without
9 the express written consent of NFS. If NFS concludes that any
10 such confidential scouting information has been leaked or
11 otherwise disseminated to any unauthorized person(s), Club
12 covenants and agrees that it will take all reasonable steps to assist
13 NFS in any investigation of the source of such leak(s), including
14 without limitation interviewing or authorizing the interview of
15 those members of the Club's football organization who had been
16 given access to the confidential scouting information. Club also
17 covenants and agrees to pay to NFS all costs and attorney's fees
18 reasonably expended in the successful enforcement of the
19 confidentiality provisions under this paragraph [], against the Club,
20 including but not limited to all costs of the investigation which
21 results in the identification of the offending Club and the costs of
22 obtaining legal and equitable relief, in addition to any and all
23 damages arising out of the use, misuse, or unauthorized
24 transmission of scouting information furnished to the Club by
25 NFS.

15 9. Shareholder Clubs receive the Scouting Reports in both written and electronic
16 formats at various times each year.

17 10. When electronically accessing the Scouting Reports, after logging into the NFS
18 system, a member of the Shareholder Club receives the following Terms of Use:

19 All data files and reports accessible from this secure website contain
20 Confidential and Proprietary Trade Secret Scouting Information that
21 is owned by National Football Scouting, Inc., and which is shared
22 with certain National Football League clubs pursuant to a written
23 agreement which restricts the dissemination of such data files, reports
24 and their contents to said National Football League clubs. Any other
25 dissemination or publication of these data files and reports is
26 expressly prohibited. Any breach of the confidentiality terms agreed
27 to by National Football Scouting, Inc. and the National Football
28 League clubs will be pursued to the fullest extent permitted by law.

11. In addition, whenever an employee of a Shareholder Club attempts to download a
specific data file or report, that employee must click on a button confirming that he/she has read,

1 understands, and agrees to the exact same confidentiality provision quoted in ¶ 8, *supra*, that is
2 found in the agreements between NFS and the Shareholder Clubs.

3 12. In addition to the confidentiality agreements between NFS and the Shareholder
4 Clubs, NFS requires its employees to sign confidentiality agreements, prohibiting them from
5 disclosing NFS's Scouting Information to any unauthorized person.

6 13. Likewise, the company that provides NFS with technology services must also sign
7 an extensive confidentiality agreement.

8 14. NFS takes every reasonable step to maintain and keep the Scouting Information
9 confidential.

10 15. NFS's Scouting Information is the product of an enormous amount of time, effort,
11 and expense. The Scouting Information is obtained through numerous campus visits by scouts
12 employed by NFS and by the Shareholder Clubs. These scouts travel throughout the country to
13 evaluate college talent and provide player information to NFS, which then organizes, evaluates,
14 and analyzes the massive amount of information that it has gathered to rate and grade the senior
15 draft prospects for the upcoming draft. The Scouting Reports are then disseminated to the
16 Shareholder Clubs.

17 16. The Scouting Reports, which contain the aforementioned ratings and grades of the
18 players, afford the Shareholder Clubs a competitive advantage in evaluating and assessing
19 incoming NFL personnel eligible for the next NFL Draft. The Scouting Information is critical to
20 the Shareholder Clubs' respective determinations of which college athletes to select in the next
21 NFL Draft. NFS's sole product, the Scouting Information, thus affords the Shareholder Clubs a
22 competitive advantage in exchange for their substantial investment in NFS. The Shareholder
23 Clubs pay significant amounts of money to obtain this competitive advantage to the exclusion of
24 those NFL teams that choose not to invest in NFS.

25 17. NFS's most recent reports were first created on May 19, 2011, and submitted for
26 copyright registration on July 7, 2011. In registering the Scouting Reports with the Copyright
27 Office, NFS registered the documents as unpublished works, which obviates the need to submit
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1 the Scouting Reports to the Copyright Office, thus preserving the secrecy of NFS's proprietary
2 information.

3 DEFENDANTS' DISSEMINATION OF TRADE SECRETS

4 18. Notwithstanding NFS's considerable efforts to protect its trade secrets, Rang and
5 TSX obtained the information and repeatedly published portions of the Scouting Information
6 through cbssports.com, receiving compensation for their knowing and willful dissemination of
7 NFS's trade secrets.

8 19. NFS has initiated an investigation as to how Rang and TSX obtained NFS's
9 Scouting Information, but to date, these attempts have been unsuccessful.

10 20. Rang has long known that the Scouting Reports are proprietary. In the past several
11 years, Rang, without consent, published portions of NFS's Scouting Information. Each time NFS
12 learned of such a publication, NFS immediately contacted Rang and advised him of the confidential
13 and proprietary nature of the Scouting Information. In addition, NFS demanded that Rang cease
14 and desist from disclosing NFS's Scouting Information in his publications. NFS further demanded
15 that Rang immediately remove the offending publications and return to NFS any copies of the ill-
16 gotten materials.

17 21. NFS also previously advised TSX in writing of the confidential and proprietary
18 nature of NFS's Scouting Information. TSX, without consent, published portions of NFS's
19 Scouting Information. Each time NFS learned of such a publication, NFS immediately contacted
20 Cooney at TSX and advised him of the confidential and proprietary nature of the Scouting
21 Information. In addition, NFS demanded that TSX cease and desist from disclosing NFS's
22 Scouting Information in its publications. NFS further demanded that TSX immediately remove the
23 offending publications and return to NFS any copies of the ill-gotten materials.

24 22. NFS last wrote to Rang on July 1, 2011 and last wrote to TSX on June 24, 2011,
25 demanding that they each cease and desist from their wrongful conduct.

26 23. Despite numerous past warnings and demands to cease and desist from his repeated
27 knowing publication of NFS's trade secrets, Rang, through TSX, published and continues to publish
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NFS's Scouting Information, to wit:

- 2 a. On June 11, 2010, Rang, through TSX, knowingly published or caused to
3 be published NFS's trade secrets by identifying the top NFS ranking
4 assigned to Prince Amukamara, then a cornerback for the University of
5 Nebraska. See Article, *Huskers' Amukamara faces challenge living up to*
6 *draft grade*, published on June 11, 2010,
7 ([http://www.cbssports.com/nfl/draft/story/13510360/huskers-amukamara-](http://www.cbssports.com/nfl/draft/story/13510360/huskers-amukamara-faces-challenge-living-up-to-draft-grade?tag=pageRow)
8 [faces-challenge-living-up-to-draft-grade?tag=pageRow](http://www.cbssports.com/nfl/draft/story/13510360/huskers-amukamara-faces-challenge-living-up-to-draft-grade?tag=pageRow); (last visited
9 8/26/11));
- 10 b. On June 12, 2010, Rang, through TSX, knowingly published or caused to
11 be published NFS's trade secrets by publishing NFS's confidential data
12 related to Dontay Moch, a defensive end for the University of Nevada.
13 See Blog entry, *DE Moch steals Amukamara's buzz in 4.25 seconds*,
14 published June 12, 2010, ([http://rob-](http://rob-rang.blogs.cbssports.com/mcc/blogs/entry/13682485/22523668?tag=comBlogEntryListCnt;entry22523668)
15 [rang.blogs.cbssports.com/mcc/blogs/entry/13682485/22523668?tag=](http://rob-rang.blogs.cbssports.com/mcc/blogs/entry/13682485/22523668?tag=comBlogEntryListCnt;entry22523668)
16 [comBlogEntryListCnt;entry22523668](http://rob-rang.blogs.cbssports.com/mcc/blogs/entry/13682485/22523668?tag=comBlogEntryListCnt;entry22523668) (last visited 8/26/11));
- 17 c. On June 22, 2010, Rang, through TSX, knowingly published or caused to
18 be published NFS's trade secrets by identifying the grades NFS assigned
19 to Jake Locker, quarterback for the University of Washington, and
20 Christian Ponder, quarterback for Florida State University. See Blog
21 entry, *Locker, Ponder tie atop National's QB grades*, published June 22,
22 2010, ([http://rob-rang.blogs.cbssports.](http://rob-rang.blogs.cbssports.com/mcc/blogs/entry/13682485/22738109?tag=comBlogEntryListCnt;entry22738109)
23 [com/mcc/blogs/entry/13682485/](http://rob-rang.blogs.cbssports.com/mcc/blogs/entry/13682485/22738109?tag=comBlogEntryListCnt;entry22738109)
24 [22738109?tag=comBlogEntryListCnt;entry22738109](http://rob-rang.blogs.cbssports.com/mcc/blogs/entry/13682485/22738109?tag=comBlogEntryListCnt;entry22738109) (last visited
25 8/26/11));
- 26 d. On June 28, 2010, Rang, through TSX, again knowingly published or
27 caused to be published NFS's trade secrets by identifying the grades NFS
28 assigned to Jake Locker and Christian Ponder. See Article, *Locker*,

1 *Ponder bring plenty to the table for NFL scouts*, published on June 28,
2 2010, ([http://www.cbssports.com/nfl/draft/story/13576492/locker-](http://www.cbssports.com/nfl/draft/story/13576492/locker-ponder-bring-plenty-to-the-table-for-nfl-scouts?tag=pageRow)
3 [ponder-bring-plenty-to-the-table-for-nfl-scouts?tag= pageRow](http://www.cbssports.com/nfl/draft/story/13576492/locker-ponder-bring-plenty-to-the-table-for-nfl-scouts?tag=pageRow); (last
4 visited 8/26/11));

5 e. On June 9, 2011, Rang, through TSX, knowingly published or caused to
6 be published NFS's trade secrets by identifying the grade NFS assigned to
7 Nick Foles, a senior quarterback at the University of Arizona. See Blog
8 entry, *Arizona QB Foles Gets 7th RD-UFA Preseason Grade*, published
9 June 9, 2011,

10 (<http://robrang.blogs.cbssports.com/mcc/blogs/entry/13682485/29914919>
11 (lastvisited 8/26/11));

12 f. On June 12, 2011, Rang, through TSX, knowingly published or caused to
13 be published NFS's trade secrets by identifying the grade NFS assigned to
14 Juron Criner, a senior wide receiver at the University of Arizona. See
15 Blog entry, *ScoutsGrade WR Criner a Bit Higher than Foles*, published
16 June 12, 2011,

17 (<http://www.cbssports.com/print/mcc/blogs/entry/13682485/29981590>
18 (last visited 8/26/11));

19 g. On June 20, 2011, Rang, through TSX, knowingly published or caused to
20 be published NFS's trade secrets by identifying the grade NFS assigned to
21 Chris Owusu, a senior wide receiver at Stanford University. See Blog
22 entry, *Luck's Top WR Owusu Highly Rated by Scouts*, published June 20,
23 2011,

24 (<http://www.cbssports.com/print/mcc/blogs/entry/13682485/30151442>
25 (last visited 8/26/11));

26 h. On June 21, 2011, Rang, through TSX, knowingly published or caused to
27 bepublished NFS's trade secrets by identifying the grade NFS assigned to
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1 Terrelle Pryor, the former starting quarterback for Ohio State University,
2 who was drafted in the NFL's Supplemental Draft on August 22, 2011.
3 See Blog Entry, *Pryor Gets Late Round Grades from BLESTO, NFS*,
4 published on June 21, 2011, ([http://rob-](http://rob-rang.blogs.cbssports.com/mcc/blogs/entry/13682485/30166630)
5 [rang.blogs.cbssports.com/mcc/blogs/entry/13682485/30166630](http://rob-rang.blogs.cbssports.com/mcc/blogs/entry/13682485/30166630) (last
6 visited 8/26/11)).

7 24. Despite NFS's repeated demands, Rang and TSX have refused to remove the
8 publications containing NFS's trade secrets.

9 COUNT I – TRADE SECRETS

10 25. NFS incorporates the allegations made in paragraphs 1-24 by reference as
11 thoughtfully set herein.

12 26. NFS's Scouting Reports represent essentially all of its products that its
13 Shareholder Clubs pay significant sums to receive.

14 27. NFS's Scouting Reports are produced solely for the benefit of the Shareholder Clubs
15 who use the Scouting Reports in the operation of their business.

16 28. NFS's Scouting Reports are secret, and every person or entity with lawful access
17 to any Scouting Information is bound by a confidentiality agreement.

18 29. NFS's Scouting Reports afford NFS a competitive advantage over other scouting
19 services.

20 30. The Shareholder Clubs that pay for access to NFS's Scouting Reports are afforded
21 an actual advantage in conducting their businesses in the National Football League.

22 31. NFS's reports are the product of extensive travel, research, observation and analysis,
23 all done at a substantial cost to NFS.

24 32. The Scouting Reports are difficult to create, and the work, time, and expense
25 necessary to prepare the Scouting Reports is not easily developed by others.

26 33. Given NFS's numerous prior communications to Rang and TSX regarding NFS's
27 trade secrets, Rang and TSX knew the confidential and proprietary nature of NFS's Scouting
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1 Information when they published the articles and blog entries containing the Scouting Information.

2 34. Despite this knowledge, Rang and TSX knowingly sought to and did willfully and
3 wantonly obtain NFS's confidential and proprietary information.

4 35. After knowingly and improperly obtaining NFS's proprietary and copyrighted
5 information and materials, Rang and TSX published portions of NFS's reports in articles and blogs
6 as alleged in ¶ 21, *supra*.

7 36. NFS notified Defendants in writing of their improper publication of NFS's trade
8 secrets, yet they continue to publish the offending confidential articles and blogs containing
9 NFS's proprietary information.

10 37. Defendants' continued knowing publication of NFS's trade secrets constitutes
11 deliberate, intentional, and outrageous conduct, warranting an award of exemplary damages.

12 38. Based on the Defendants' continued misappropriation and dissemination of NFS's
13 trade secrets despite NFS's repeated demands to cease and desist, NFS has reason to believe
14 further disseminations of its trade secrets will occur.

15 39. Because of Defendants' unlawful dissemination of NFS's trade secrets, NFS has
16 been and will continue to be irreparably harmed. Unless Defendants are preliminarily and
17 permanently enjoined from continuing their knowing offensive conduct in violation of NFS's
18 rights to its trade secrets, NFS will continue to be irreparably harmed.

19 40. Through its allegations herein, NFS has demonstrated a likelihood of success on
20 the merits, and no adequate remedy is available at law.

21 41. The protection of trade secrets such as NFS's serves the interest of the public,
22 ensuring that those who make substantial investments in their business to gain an economic
23 advantage over their competitors will not lose that advantage as a result of the unscrupulous,
24 intentional, and outrageous actions of third parties, such as Rang and TSX, who look to profit
25 from the wrongful dissemination of the trade secrets.

26 42. Because of Defendants' willful and malicious misappropriation and dissemination
27 of the Scouting Information, NFS is entitled to recover its reasonably incurred attorneys' fees

1 and costs in pursuing this action. RCW § 19.108.040 (West).

2 WHEREFORE, Plaintiff National Football Scouting, Inc. prays for the following relief:

- 3 a. For a preliminary and thereafter permanent injunction
- 4 i. Ordering Defendants to cease and desist from publishing or
- 5 otherwise disseminating any of NFS's Scouting Information;
- 6 ii. Ordering Defendants immediately to remove all publications of
- 7 NFS's Scouting Information from the internet, weblogs, or any
- 8 other media available to the general public;
- 9 iii. Ordering Defendants immediately to return any copies on NFS's
- 10 Scouting Information in any format (paper, electronic, or
- 11 otherwise) to;
- 12 iv. Ordering Defendants to preserve all electronic data in their control
- 13 including, but not limited to, personal and laptop computers,
- 14 cellular phones, or any other electronic device through which
- 15 Defendants might have improperly obtained NFS's Scouting
- 16 Information and make those machines available to NFS so that
- 17 they may have computer forensics technicians examine, mirror-
- 18 image, and ultimately remove any of NFS's trade secrets found
- 19 thereon;
- 20 v. Ordering Defendants to allow NFS to inspect Defendants' e-mail
- 21 accounts along with proper access to those accounts to search for
- 22 trade secrets contained therein and to allow NFS to investigate
- 23 Defendants' sources of NFS's Scouting Information and evidence
- 24 of further disseminations;
- 25
- 26 vi. Further ordering Defendants, after proper forensic investigation, to
- 27 allow computer technicians to remove NFS's Scouting Information
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1 from Defendants' electronic media at the direction of NFS;

- 2 vii. Ordering Defendants to identify the sources from which
3 Defendants received NFS's Scouting Information so that NFS may
4 seek appropriate relief to prevent such sources from further
5 damaging NFS with additional unlawful disseminations;
- 6 viii. Enjoining Defendants from soliciting NFS's confidential Scouting
7 Information in the future.

- 8 b. For damages and unjust enrichment in excess of \$75,000 in an amount to
9 be determined at trial;
- 10 c. For NFS's attorneys' fees and costs incurred herein;
- 11 d. For exemplary damages; and
- 12 e. For such other relief as this Court deems just and proper.

13 COUNT II – COPYRIGHT

14 43. NFS incorporates by reference the statements made in paragraphs 1-24 and 26-42 as
15 though fully set forth herein.

16 44. NFS's 2012 Scouting Reports are original works created and owned by NFS.

17 45. NFS's 2012 Scouting Reports were first created on May 19, 2011.

18 46. As the creator of the 2012 Scouting Reports, NFS retains ownership of the material.

19 47. NFS applied for registration of its claims of copyright in the 2012 Scouting Reports
20 for copyright protection on July 7, 2011.

21 48. As alleged in ¶ 21, *supra*, Defendants published portions of NFS's 2012 Scouting
22 reports on at least four (4) separate occasions, in violation the Copyright Act, 17 U.S.C. § 101, *et*.
23 *seq.*

24 49. Defendants received payment for the publication of portions of NFS's 2012
25 Scouting Reports.

26 50. NFS has never authorized either Defendant to duplicate or publish NFS's 2012
27 Scouting Reports.

1 51. Defendants' acts, as alleged herein, are infringements of Plaintiff's copyrights in
2 the 2012 Scouting Reports.

3 52. Defendants have committed all of the aforesaid acts of infringement deliberately
4 and willfully.

5 53. NFS has sustained, and will continue to sustain, substantial injuries, loss and
6 damage to its exclusive rights in its 2012 Scouting Reports under the Copyright Act.

7 WHEREFORE, NFS prays for the following relief:

- 8 a. Disgorgement of all profits earned by Defendants from their willful
9 infringement of NFS's copyrights; and
10 b. Actual damages; or
11 c. Statutory damages of up to \$150,000 for each copyright infringement;
12 d. For such other relief as this Court deems just and proper.

13 JURY DEMAND

14 Plaintiff demands trial by jury of all issues so triable in this matter.

15
16 Respectfully submitted,

17
18 GUILFOIL, PETZALL & SHOEMAKE, L.L.C

HENDRICKS & LEWIS, PLLC

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LOCAL COUNSEL

27 Request for admission *pro hac vice* to be made

28 COMPLAINT - 12

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